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PATENT APPLICATION

HEWLETT-PACKARD COMPANY
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ATTORNEY DOCKET NO. ___30012796 US___

IN THE
UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor(s): ERICKSON, JOHN S. et al.	Confirmation No.: 6171
Application No.: 09/941,568	Examiner: BACKER, FIRMIN
Filing Date: August 30, 2001	Group Art Unit: 3621

Title: RIGHTS MANAGEMENT

Mail Stop Appeal Brief-Patents
Commissioner For Patents
PO Box 1450
Alexandria, VA 22313-1450

TRANSMITTAL OF APPEAL BRIEF

Transmitted herewith is the Appeal Brief in this application with respect to the Notice of Appeal filed on ___April 17, 2007___.

The fee for filing this Appeal Brief is (37 CFR 1.17(c)) $500.00.

(complete (a) or (b) as applicable)

The proceedings herein are for a patent application and the provisions of 37 CFR 1.136(a) apply.

☐ (a) Applicant petitions for an extension of time under 37 CFR 1.136 (fees: 37 CFR 1.17(a)-(d)) for the total number of months checked below:

☐ 1st Month $120	☐ 2nd Month $450	☐ 3rd Month $1020	☐ 4th Month $1590

☐ The extension fee has already been filed in this application.

☒ (b) Applicant believes that no extension of time is required. However, this conditional petition is being made to provide for the possibility that applicant has inadvertently overlooked the need for a petition and fee for extension of time.

Please charge to Deposit Account 08-2025 the sum of ___$ 0___. At any time during the pendency of this application, please charge any fees required or credit any over payment to Deposit Account 08-2025 pursuant to 37 CFR 1.25. Additionally please charge any fees to Deposit Account 08-2025 under 37 CFR 1.16 through 1.21 inclusive, and any other sections in Title 37 of the Code of Federal Regulations that may regulate fees.

☐ A duplicate copy of this transmittal letter is enclosed.

☐ I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Commissioner for Patents, Alexandria, VA 22313-1450 Date of Deposit:	Respectfully submitted, ERICKSON, JOHN S. et al. By _[signature]_ Randy A. Noranbrock
OR	Attorney/Agent for Applicant(s)
☒ I hereby certify that this paper is being transmitted to the Patent and Trademark Office facsimile number (571)273-8300. Date of facsimile: June 18, 2007 Typed Name: Christina Frye Signature: _[signature]_	Reg No.: 42,940 Date: June 18, 2007 Telephone: 703-684-1111

Rev 10/06a (AplBrief)

Docket No. 30012796-1 US (1509-215)   <u>PATENT</u>

THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of	
Inventors: John S. ERICKSON et al.	: Confirmation No. 6171
	:
U.S. Patent Application No. 09/941,568	: Group Art Unit: 3621
	:
Filed: August 30, 2001	: Examiner: Firmin BACKER
For: RIGHTS MANAGEMENT	

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attn: BOARD OF PATENT APPEALS AND INTERFERENCES

BRIEF ON APPEAL

Further to the Notice of Appeal filed April 17, 2007, in connection with the above-identified application on appeal, herewith is Appellant's Brief on Appeal. The $500 statutory fee was authorized on November 14, 2005.

To the extent necessary, Appellant hereby requests any required extension of time under 37 C.F.R. §1.136 and hereby authorizes the Commissioner to charge any required fees not otherwise provided for to Deposit Account No. 08-2025.

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I. Real Party in Interest

The real party in interest is Hewlett-Packard Development Company, L.P., a Texas limited partnership.

II. Related Appeals and Interferences

There are no related appeals and/or interferences.

III. Status of Claims

1. Claims pending – 1-9 and 11-18

2. Claims rejected – 1-9 and 11-18

3. Claims canceled – Claim 10

4. Claims allowed – None

5. Claims withdrawn from consideration but not canceled – None

6. Claims on appeal – claims 1-9 and 11-18

IV. Status of Amendments

An amendment to cancel claim 10 was filed April 17, 2007, along with the Notice of Appeal. This Brief, including the claims appendix, is prepared on the assumption that the April 17, 2007 amendment was entered.

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V. Summary of Claimed Subject Matter

A concise explanation of the claimed subject matter is provided by considering some of the operations described in connection with Figure 1 that includes several boxes, each representing a possible state of a contract between an author and a publisher (page 22, first paragraph). The contract, in written form, is set forth on pages 12-21 of the specification. Figure 1 is a digital dynamic contract model of the contract appearing on pages 12-20, wherein the contract is represented as a dynamic state machine "kernel" object (page 22, lines 3 and 4). The dynamic state machine behavior, especially the state transitions within the contract model, is expressed in terms of a logical combination of events and conditions that are in effect within a given state of the contract (page 22, lines 6 and 7). Each of the boxes of Figure 1 represents each of the states and includes a series of events and conditions. The events and conditions in a particular box are in effect when the contract is in a state associated with the particular box (page 22, lines 7-9 full paragraph).

When the contract model of Figure 1 is in initial state 10, the author has granted two sets of rights to the publishing company, namely the right to use the author's name, picture and autobiographical data, (R18), and all right, title and interest in the Work he is to create for the publisher (R1) (page 22, lines 10-14). The author has three obligations, namely to deliver the Work (O5), to deliver key words for the index of the Work (O11), and warranties that are set forth in the contract (page 22, lines 14-16). In response to the author meeting his obligation to deliver the Work, the contract and state machine enter first delivery state 12 (page 22, lines 19 and 20). In first delivery state 12, both sets of rights granted by the author to the publishing company are still in

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force, as are the warranties the author is obliged to follow (page 22, lines 20-22). In other words, as a result of the author fulfilling his obligation to deliver the Work (obligation 5 in initial state 10), a state machine changes status from state 10 to state 12. In state 12, the author still must abide by the warranties of the original contract (O2, O3, O4), but is no longer obligated to deliver the Work. In addition, in state 12, the publisher still has the right to use the author's name, picture and autobiographical data (R18) and still has all right, title and interest in the Work (R1).

In the unlikely event of the publisher being satisfied with the Work as initially delivered to the publisher by the author, the state machine advances to "done" state 30 in which the contract is terminated and all outstanding rights and obligations have been disposed of, except the author's warranties, set out as obligations O2, O3 and O4 (page 24, last full paragraph). If, however, the publisher is not satisfied with the Work, the state machine advances to the various intermediate states, such as retyping state 14, copy editing state 16, index state 18, etc. depending upon the state machine data representative of the performance of the author and the publisher of the events that are relevant to the contract. In this way, the determined state of the state machine determines the rights or obligations of the parties to the contract at any point in time associated with the execution of the contract.

Hence, the apparatus of independent claim 1 reads on the specification and drawing since claim 1 is directed to an apparatus for determining a right or obligation of a contract or agreement at any point in time (page 5, second paragraph, lines 1-3; page 5, third paragraph, lines 1 and 2; page 7, first full paragraph, last three lines). The apparatus comprises means, in the form of a programmed computer, for creating

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a state machine representative of the contract or agreement, as illustrated by boxes 12-34 (i.e. the state variables are the titles on the boxes, e.g. in Figure 1, wherein at least some terms (e.g., rights (R) and obligations (O)) of the contract or agreement are represented as the state variables of the state machine (page 6, second paragraph, page 10, second and third full paragraphs; page 22, first paragraph). The means for storing the state machine is a memory, e.g., structured files or a database (page 5, last paragraph; page 7, second paragraph, first sentence; page 11, last paragraph, first and last sentences, page 6, first full paragraph). A programmed computer is the means for: (a) causing the state machine to receive data representative of performance of at least one of the parties of one or more events relevant to the contract or agreement (e.g., the performances, such as delivery of the work, indicated by the arrows of Figure 1), (b) determining whether said event changes the status of said state machine; the computer determines that the status of the state machine has been changed to require the author to have the work re-typed as indicated by O5, in response to the publisher exercising the right R5, to require re-typing that causes state 14 to be entered (page 12, last paragraph), (c) changing the status of said state machine if required by the determination; e.g., the status of the state machine changes from state 12 to state 14 if the publisher enforces its right, R5, and (d) determining the right or obligation in response to the received data and the status of the state machine; e.g., the computer determines that the author has the obligation (O5) to retype in response to the publisher providing data that it is enforcing its right (R5) to obtain same and the state machine being at retyping state 12 (page 2, last paragraph, page

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5, second full paragraph; page 12, first paragraph; page 22, first paragraph; page 25, second full paragraph; page 8, lines 5-30).

Independent claim 9 relates to a method of determining a right or obligation of a contract or agreement at any point in time (page 5, second paragraph, lines 1-3; page 5, third paragraph, lines 1 and 2; page 7, first full paragraph, last three lines). The method comprises creating a state machine (Figure 1 includes states 10-34) representative of the contract or agreement, wherein at least some terms of the contract or agreement are represented by the state variables 12-34 of the state machine (page 5, third full paragraph, lines 3-6). The machine is stored (page 5, third full paragraph, line 5; page 5, last paragraph; page 7, second paragraph; page 22, first sentence; page 11, least paragraph). The state machine receives data (indicated by the arrows on Figure 1) representative of performance of at least one of the parties of one or more events relevant to the contract or agreement (e.g., delivery of work) (page 5, third full paragraph, lines 5 and 6; page 22, first paragraph; page 25, second full paragraph; page 12, line 1). A determination is made as to whether the event results in a change of state of the state machine; e.g., the publisher decides to terminate the agreement as indicated by sensing entry of termination state 26 (page 24, first full paragraph, page 5, third full paragraph, lines 6-8; page 12, lines 1 and 2; page 25, second full paragraph, lines 1 and 2). The status of the state machine is changed accordingly; e.g., if termination state 26 is entered, the author obtains the right (R20) to request the return of the rights he granted the publisher (page 28, first full paragraph, page 5, third full paragraph, lines 7 and 8; page 12, lines 1-3; page 25, second full paragraph, lines 2 and 3). A determination is made of (a) the state of the state machine at a point in time as required, and (b) the right or obligation of the contract or agreement from the determined

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state of the state machine (page 5, third full paragraph, lines 8 and 9; page 12, lines 3 and 4; page 25, second paragraph, lines 3 and 4).

Independent claim 11 is directed to an apparatus for determining a right or obligation of an agreement (page 5, second paragraph, lines 1-3; page 5, third paragraph lines 1 and 2; page 7, first full paragraph, last three lines). The apparatus comprises means in the form of a programmed computer for creating a model representing the agreement and having an output state; the model includes at least one state variable for representing a term of the agreement (page 6, third and fourth paragraphs; page 8, last two full sentences; page 22, first paragraph). Figure 1 is an exemplary model of a contract between a publisher and an author in a computer. The terms of the contract are represented in Figure 1 by rights (R1, R5, R8, R9, R17, R18, R19, R20) and obligations (O2, O3, O4, O5, O7, O9, O10, O12-O16) of the author and publisher. A memory, e.g., structured files or a data base, is means for storing the model (page 5, last paragraph; page 7, second paragraph, first sentence; page 8, lines 2 and 3; page 11, last paragraph, first and third sentences). A programmed computer forms means for (a) receiving data relevant to a term of the agreement and relating to a corresponding state variable of the model; the data is representative of performance (e.g., delivery of the work by the author, as indicated by the arrow between states 10 and 12) of at least one of the parties of one or more events relevant to the contract or agreement, (b) entering the data into the model (when the author delivers the work, the fact that the delivery has occurred is put in the model), (c) establishing a consequent output state of the model (state 12 of the model is established in response to the delivery), and (d) determining the right or obligation in response to the consequent output state of the model (as a result of the model being in state 12, rights R1 and R18 and obligations O2-O4 are in

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existence) (page 12, first paragraph; page 22, first paragraph; page 25, second full paragraph; page 8, lines 5-30).

Independent claim 12 concerns a method of determining a right or obligation of a contract or agreement at any point in time (page 5, second paragraph; lines 1-3; page 5, third paragraph, lines 1 and 2; page 7, first full paragraph). The method comprises representing at least some terms of the contract or agreement as a state variable of a computer arrangement; the computer arrangement has a status determined by the state variable (page 8, lines 5-30; page 10, lines 9-18 and 26-29; page 22, first paragraph). In Figure 1, the state variables are the names on the various boxes 10-34 (e.g., initial states, first delivery, retyping). Because the computer steps from one of these boxes to another, the status of the computer is determined by the state variables. The computer arrangement receives data representative of performance of at least one of the parties of one or more elements relevant to the contract or agreement (e.g., the author delivering the work as indicated by the arrow between boxes 10 and 12) (page 7, second full paragraph; page 21, last two full paragraphs; page 24, last full paragraph; page 12, first sentence). A determination is made as to whether the event changes the status of the computer arrangement. For example, upon delivery of the work, the computer arrangement goes from initial state status 10 (Figure 1) to first delivery status 12. The status of the computer arrangement is changed if required by the determination, and the right or obligation is determined in response to the received data and the status of the computer arrangement (page 7, second full paragraph, page 22; last two full paragraphs; page 24, last full paragraph; page 12, first sentence). For example, in state 12, the publisher has rights R18 (the right to use the author's name, picture and autobiography) and R1 (all right, title and

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interest in the work), and the author has obligations O2-O4 (the warranties set forth in paragraph 52 in the contract on pages 12-14 of the Application) (page 22, second paragraph, last sentence). Because the author delivered the work, he does not (at state 12), have obligations O5 (to deliver the work) and O11 (to deliver key words for the index that he had at state 10 (page 16, third paragraph)).

Independent claim 13 relates to a computer readable medium or storage device storing a program (page 10, second full paragraph) for causing a computer arrangement to determine a right or obligation of a contract or agreement at any point in time (page 6, second full paragraph; page 5, second paragraph; lines 1-3; page 5, third paragraph, lines 1 and 2; page 7, first full paragraph, last three lines). The computer arrangement stores at least some terms of the contract or agreement, i.e., the rights (R) and obligations (O) of the parties, as a state variable (page 6, last paragraph). The computer arrangement has a status, i.e., the state indicated by the titles on boxes 10-32, e.g. initial state, determined by the state variable (page 6, last paragraph, first sentence). The program causes the computer arrangement to (1) receive data representative of performance (e.g., the author has delivered the work as indicated by the arrow between boxes 10 and 12) of at least one of the parties of one or more elements relevant to the contract or agreement (page 7, second paragraph, first sentence); (2) determine whether the event changes the status of the computer arrangement (e.g., the computer determines that delivery of the work causes the state of the computer to go to first delivery state 12 from initial state 10 (page 7, second paragraph, first sentence); (3) change the status of the computer arrangement if required by the determination (page 7, second paragraph, first sentence) (e.g., the computer state changes from initial state 10 to first delivery state 12 in response to the determination that the

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work has been delivered); (4) determine the right or obligation in response to the received data and the status of the computer arrangement (in response to delivery of the work and the computer being in state 12, the publisher has rights R1, R18 and the author has obligations O2-O4) (page 7, first paragraph, last sentence).

Independent claim 14 is concerned with a computer arrangement for determining a right or obligation of a contract or agreement at any point in time (page 5, second paragraph; lines 1-3; page 5, third paragraph, lines 1 and 2; page 7, first full paragraph, last three lines). The computer arrangement is arranged for executing the steps of: 1. representing at least some terms of the contract or agreement as a state variable (the rights (R) and obligations (O) are represented as state variables), wherein the computer arrangement has a status determined by the state variable (page 5, second paragraph; lines 1-3; page 5, third paragraph, lines 1 and 2; page 7, first full paragraph, last three lines; page 8, second full paragraph, last sentence; and page 10, last paragraph, first sentence); 2. receiving data representative of performance of at least one of the parties of one or more elements relevant to the contract or agreement (e.g., delivery of the work) (page 7, second full paragraph; page 21, last two full paragraphs; page 24, last full paragraph; page 12, first sentence; page 22, last two full paragraphs); 3. determining whether the event changes the status of the computer arrangement (e.g., the computer determines that delivery of the work causes the computer to change state from state 10 to state 12) (page 7, second full paragraph; page 21, last two full paragraphs; page 24, last full paragraph; page 12, first sentence; page 22, last two full paragraphs); 4. changing the status of the computer arrangement if required by the determination (e.g., the computer changes state from initial state to first delivery state 12) (page 7, second full paragraph; page 21, last two full

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paragraphs; page 24, last full paragraph; page 12, first sentence; page 22, last two full paragraphs); and 5. determining the right or obligation in response to the received data and the status of the computer arrangement (e.g., as a result of the "delivery of work" data and the computer being in state 12, the computer determines that the publisher has rights R1, R18 and the author has obligations O2-O5) (page 7, second full paragraph; page 21, last two full paragraphs; page 24, last full paragraph; page 12, first sentence; page 22, last two full paragraphs).

Dependent claim 3 indicates the apparatus of claim 1 includes object-oriented computer language, such that the right or obligation of the contract state machine object includes assertions that the object makes to other objects or systems (page 6, last full paragraph, second sentence).

Dependent claim 4 requires software components or systems of claim 1 to receive the right or obligation of a virtual contract and determine and implement the wishes or intentions of the contracts, as required (page 7, lines 6-8).

Dependent claim 5 indicates a kernel includes means for storing (i.e., the memory) a plurality of contract agreements as state machines. The computer is the means for receiving information regarding events relevant to one or more of the contracts that are stored and the means for changing the state of one or more of the state machines as required according to the performance of at least one of the parties (first full sentence, page 7).

Claim 6, that depends on claim 5, indicates an event queue accommodates external and internal events, i.e., events outside the contract and events within the

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contract (page 7, last paragraph, first sentence). Examples of external events include queries or assertions from outside the system, such as queries for authorization for access, or affirmations from payment services that payments have been made. Examples of internal events include the arrival of certain moments of time, for example, a particular length of time from the start of the contract or from the time a particular state or event within the contract has occurred (page 7, last paragraph, second and third sentences).

Dependent claim 7 indicates that if the state of the contract or agreement of claim 1 is not changed for a predetermined period of time, the storage arrangement is such that the contract persists in the storage arrangement, to await the occurrence of one or more performance events which affect the behavior or output (page 7, last full paragraph; page 24, second full sentence).

Claims 16 and 18 require the contract to be in force, i.e., not in a negotiated state. It is evident from the above that the contract is in force. For example, when the author meets his obligation to deliver the work, the state machine goes to box 12 (page 22, third paragraph).

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VI.   Grounds of Rejection to be Reviewed on Appeal

The ground of rejection to be reviewed on appeal is the rejection of claims 1-9 and 11-18 as being anticipated under 35 USC 102(e) by Ginter et al. (US Patent publication 2006/0224903). (Appellants note that page 2 of the November 17, 2006, Office Action says claims 1-16 are anticipated by Ginter et al., but that page 8 of this Office Action implies claims 17 and 18 are rejected on the same statutory basis. Appellants will proceed on the basis that the Examiner intended to reject all claims on the '903 reference.)

VII.   Argument

A.   The Rejection and Ginter et al.

The format of the rejection of each claim is the same. Each rejection begins "As per claim (relevant numeral), Ginter et al. teach...." The word "teach" is followed by a parroting of the words of the particular claim number. After the claim wording has been parroted, the paragraph associated with each claim number is concluded by "(see pps 0013, 0027, 0047, 0069, 0084, 0092, 0159, 0160)." Presumably, "pps" is an abbreviation for paragraphs because of the four digits associated with each set of numerals following the letters "pps."

All the paragraphs of Ginter recited at the end of each paragraph associated with a rejection of a claim is in the portion of Ginter entitled "BACKGROUND AND SUMMARY OF THE INVENTION(S)."

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Paragraph 0013 is concerned with electronic content providers extending their ability to control the use of proprietary information so use of the information is limited to authorized activities and amounts. A so called "extended" agreement comprises an overall electronic business model that represents electronic content control information that can automatically enforce agreed-upon rights and obligations.

The nature of the rights and/or obligations is not specified in paragraph 0013. However, Fig. 2 includes virtual distribution environment (VDE) rights distributor 106 that is responsive to rules and controls established by a VDE content creator 102 who creates content and specifies rules and controls for distributing the content (paragraphs 0393 and 0394). VDE rights distributor 106 generates rules and controls that relate to usage of the content created by content creator 102. The rules and controls indicate what a user 112 can and cannot do with the content and how much it costs to use the content (paragraphs 0395 and 0396).

Paragraph 0452 indicates virtual distribution environment 100 (Fig. 2) includes "rights operating system" 602 that manages electronic appliance 600 (Fig. 7) and secure processing unit (SPU) 500 (Fig. 6) by controlling hardware resources of the appliance and SPU. Secure processing unit 500 includes an integrated circuit chip 504 that is in tamper resistant barrier 502 and includes hardware 506 and firmware 508, wherein the firmware is in a memory on the chip (paragraphs 0437-0444). Rights operating system 602 includes virtual distribution environment (VDE) rights and auditing operating system functions (Fig. 7) that securely handle tasks that relate to virtual distribution environment 100 (paragraph 0453). Paragraph 0453 goes on to indicate SPU 500 provides or supports many security functions of the rights and

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auditing operating system functions and that operating system 602 may be designed to include the "rights and auditing operating system functions 604 as well as other operating system functions 606 or the rights and auditing operating system functions may be an add-on to a preexisting operating system" to provide the "other operating system functions." Paragraph 0455 indicates the rights operating system functions 604 are "services-based" to, for example, handle summary requests from user application 608 (Fig. 7). Paragraph 0452 indicates user application 608 is hardware and/or software specific to the context of electronic appliances 600, that can, for example, be a personal computer; in such a case, application 608 is a program loaded by the user in the computer.

Ginter et al. also extensively discusses "rights" in paragraphs 1128-1132 and 1142-1143 in connection with permissions record (PERC) 808 that is in electronic container 302 (Fig. 5A) that can be accessed only by using the rules and controls 110 established by VD rights distributor 106 (Fig. 2). Electronic container 302 is in object 300 that is located in secondary storage 652, Fig. 8, of the electronic appliance 600 of Fig. 7. Paragraph 1129 indicates a "right" represents a major functional partitioning desired by a participant of the basic architecture of virtual distribution environment 100 and that an example of such a right is the right to use an object 300 and the right to distribute rights to use an object 300; see paragraph 1129. This paragraph indicates that examples of rights include access to the content created by creator 102 (Fig. 2), permission to distribute the rights to access the created content, the ability to read and process audit trails related to content and/or control structures, the right to perform transactions that may or may not be related to the content and/or related control

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structures, such as banking transactions, catalog purchases, collection of taxes and the ability to change some or all of the internal structure of a permission record 808. Paragraph 1130 indicates the most frequently granted right for virtual distribution environment end users is a usage right and that other rights include the "extraction right," the "audit right" for accessing audit trail information of end users, and a "distribution right" to distribute an object.

Paragraphs 1269-1277 of Ginter et al. indicate rights operating system (ROS) 602 may be "event driven" to facilitate "integration and extendibility." Exemplary events are a user striking a keyboard key, arrival of a message or arrival of an object 300, expiration of a timer, or a request from another process. Rights operating system 602 responds to an "event" by performing a process in response to the event. For example, rights operating system 602 may create and execute one or more component assemblies 690a and/or 690b in host event processing environment 655 or secure event processing environment 503 (Fig. 10).

Ginter et al. also includes, in paragraphs 1771-1815, an extensive discussion of how rights and obligations under a contract are negotiated. However, there is no tie-in between the negotiated rights and obligations of paragraph 1771-1815 with any other contractual obligations.

Paragraph 0219, page 22, second column, first and second sentences, indicates that if a requirement of an agreement is not observed, the delinquent party is stopped from successfully participating in the virtual distribution environment activities related to the agreement.

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Based on the foregoing, it is difficult to determine exactly what is meant in paragraph 0013 by automatically enforcing agreed upon rights and obligations of an extended agreement.

The Office Action refers to paragraph 0027 of Ginter et al. Apparently, the Office Action should have referred to paragraph 0027 and one or more of paragraphs 0028-0031 since paragraph 0027 merely states "The present invention can protect the rights of parties who have:" Paragraph 0028 of Ginter indicates that the commercial interest in electronically distributed information will be protected to ensure that the parties will be paid for use of distributed information in a manner consistent with their agreement. There is nothing to indicate in paragraphs 0027 and/or 0028 how the rights of the parties are protected.

Paragraph 0047 of Ginter indicates the virtual distribution environment securely administers transactions that specify protection of rights. Paragraphs 0048-0053 list rights that can be protected, but provide no information as to how these rights are protected.

Paragraph 0069 indicates that in the virtual distribution environment of the Ginter et al. patent application, there is a separation between a rights application and its foundation to permit the efficient selection of sets of control information that are appropriate for each of many different types of applications and uses. These control sets can reflect the rights of electronic community members as well as obligations thereof. This paragraph also indicates the virtual distribution environment provides a

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system that can fairly reflect and enforce agreements among parties. However, there is nothing in this paragraph to indicate how any of these objectives are achieved.

Paragraph 0084 indicates the Ginter et al. virtual distribution environment answers the needs of rights owners and content providers, by providing a system that can accommodate the requirements and agreements of all parties that may be involved in electronic business models and that the virtual distribution environment supplies an efficient, largely transparent, low cost and sufficiently secure system of hardware and software or only software modules. Paragraph 0084 provides no information as to how these objectives are achieved.

Paragraph 0092 of Ginter indicates electronic appliances under control of the virtual distribution environment represent nodes that securely process and control. The electronic appliances also apparently distribute electronic information and/or appliance usage and control information formulation and related transactions, according to paragraph 0092. Paragraph 0092 also indicates the virtual distribution environment can securely manage the integration of control information provided by two or more parties and that the VDE can construct an electronic agreement between participants that represent a negotiation between the participants. Paragraph 0092 also alleges the VDE can (1) enact terms and conditions of a resulting agreement and (2) ensure the rights of each party to an electronic agreement regarding a wide variety of electronic activities related to electronic information and/or appliance usage. However, paragraph 0092 is silent as to how these objectives are achieved.

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Paragraph 0159 indicates a virtual distribution environment content container, presumably content container 300 (Fig. 5A), defines the general nature of a virtual distribution environment function (VDEF); see paragraph 0157, second sentence. A VDEF defines capabilities that are or may apply to certain electronic information. This paragraph summarizes the content container of Fig. 5A, indicating it contains information 304 and controls, as indicated by permissions record 808, related to use of the contents of object 300. The paragraph indicates the control information can constitute one or more "proposed" electronic agreements that manage the use and/or consequence of use of the information content 304. The capabilities can enact terms and conditions of agreements involving multiple parties and their various rights and obligations. It is not clear exactly what is meant by "enact the terms and conditions of agreements." In particular, the words "enact the terms and conditions of agreements" can mean negotiating the terms and conditions of agreements.

Paragraph 0160 of Ginter et al. appears to relate to evaluating terms and conditions of an agreement. The paragraph specifically mentions implementing a negotiation process between two or more sets of control information submitted by two or more parties involved in the virtual distribution environment. It is not indicated that an evaluation is performed of the conduct of a contract.

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B.   The Office Action Fails to Provide an Adequate Basis that Paragraphs 0013, 0027, 0047, 0069, 0084, 0092, 0159 and/or 0160 Anticipate the Requirements of Claim 1, Directed to an Apparatus for Determining a Right or Obligation of a Contract or Agreement at Any Point In Time

Claim 1 is drafted in means plus function language and defines "means for creating a state machine representative of said contract or agreement, wherein at least some terms of the contract or agreement are represented as a state variable of the state machine." As indicated in the Summary of the Invention portion of this Brief, such means is in the form of a programmed computer, as indicated by page 6, second paragraph, page 10, second and third full paragraphs; and page 22, first paragraph. The means for storing the state machine is a memory, that can range from writing structured files to storing in a database (page 11, last paragraph, as well as page 5, last paragraph; page 7, second paragraph, first sentence; page 6, first full paragraph). The means for: (a) causing the state machine to receive data representative of performance of at least one of the parties of one or more events relevant to the contract or agreement, (b) determining whether said event changes the status of said state machine, (c) changing the status of said state machine if required by the determination, and (d) determining the right or obligation in response to the received data and the status of the state machine comprises a programmed computer, as indicated by the third full paragraph on page 6 and the first full paragraph on page 22 of the application.

Section 2183 of the Manual of Patent Examining Procedure states the Examiner should provide an explanation and rationale in the Office Action as to why

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the prior art element is an equivalent of the means plus function structure that is set forth in a claim. The Examiner has made no attempt to satisfy this requirement.

In addition, the Examiner has not shown how and/or where Ginter et al. discloses the requirements of claim 1 for determining whether any event relevant to a contract or agreement changes the status of a state machine. Reciting eight paragraphs of a reference at the end of a paragraph that parrots a claim does not tell Appellants or the Board where a specific claim limitation is formed in a reference. The Office Action also fails to indicate how and/or where Ginter et al. discloses representing at least some terms of a contract or agreement as a state variable of a state machine. Further, the Office Action fails to indicate how and/or where Ginter et al. discloses changing the status of the state machine if the determination so requires. In addition, the Examiner has failed to disclose how and/or where Ginter et al. discloses the requirement of claim 1 for determining the right or obligation of a contract or agreement in response to received data representative of performance of at least one party of one or more events relevant to a contract or machine and the status of the state machine. Based on the foregoing, the Examiner has failed to establish the requirements for a proper rejection of claim 1 under 35 USC 102(e).

C. The Office Action Fails to Indicate How and/or Where Ginter et al. Discloses the Requirements of Claims 2-8 that Depend on Claim 1

Claim 2 requires the right or obligation of each of a plurality of contracts or agreement to be determined concurrently as required. The Office Action fails to indicate where and/or how Ginter et al. discloses such a requirement.

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Claim 3 requires a computer language for realizing the apparatus of claim 1 to be an object-oriented computer language, such that the right or obligation of a contract state machine object includes assertions that the object makes to other objects or systems. The Office Action fails to indicate where and/or how Ginter discloses such an object-oriented computer language. In addition, the Office Action fails to indicate where and/or how Ginter et al. includes assertions that a contract state machine object makes to other objects or systems.

Claim 4 is allowable with claim 1 upon which it depends.

The Office Action fails to disclose where and/or how Ginter et al. discloses the requirement of claim 5 for a kernel for storing plural contracts or agreements as state machines. In addition, the Office Action fails to disclose where and/or how Ginter et al. discloses changing the state of one or more of the state machines, as required according to information regarding events relevant to one or more contracts or agreements.

The Office Action also fails to disclose where and/or how Ginter et al. discloses an event queue for accommodating external and internal events, as claim 6 requires.

The Office Action also fails to indicate where and/or how Ginter et al. discloses the claim 7 requirement for a contract that is persisted in storage, to await the occurrence of one or more events which affect its behavior or output, if the contract or agreement state is not changed for a predetermined time period.

The Office Action fails to indicate where and/or how Ginter et al. discloses a virtual contract manager so that, upon initialization, virtual contracts are registered with

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the virtual contract manager so the virtual contracts can subscribe to events that affect their behavior to the right or obligation at any time, as claim 8 requires.

D. The Office Action Fails to State How and/or Where Ginter et al. Anticipates Claim 9

Claim 9 is a method claim, directed to a method of determining a right or obligation of a contract or agreement at any point in time. The Office Action fails to indicate how and/or where Ginter et al. discloses the requirement of claim 9 for terms of a contract or agreement to be represented by a state variable of a state machine. The Office Action also fails to indicate where and/or how Ginter et al. discloses the claim 9 requirement for determining whether one or more events relative to a contract or agreement and received at a state machine results in a change of the state machine. Further, the Office Action fails to indicate where and/or how Ginter et al. discloses changing the status of the state machine based on such a determination. In addition, the Office Action fails to indicate where and/or Ginter et al. discloses the claimed requirement to determine the state of the state machine at a point in time and the right or obligation of the contract or agreement from the determined state of the state machine.

E. The Office Action Fails to Indicate How and/or Where Ginter et al. Discloses the Requirements of Claim 11

Claim 11 is concerned with an apparatus for determining a right or obligation of an agreement. It is cast in means plus function language and must be interpreted in accordance with 35 USC 112, paragraph 6. The apparatus of claim 11 includes means for creating a model representing the agreement, wherein the model has an output state. Such a means is in the form of a programmed computer, as indicated

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from page 6, third and fourth paragraphs, page 8, last two full sentences, and page 22, first paragraph. The means for storing the model is a memory, for example, in the form of structured files or database, as indicated by page 5, last paragraph; page 7, second paragraph, first sentence; page 8, lines 2 and 3; and page 11, last paragraph, first and third sentences. A programmed computer comprises the means for receiving data relevant to a term of the agreement and relating to a corresponding state variable of the model, wherein the data are representative of performance of at least one of the parties of one or more events relevant to the contract or agreement. Such a programmed computer includes means for entering the data into the model and establishing a consequent output state of the model. Such a computer also determines the right or obligation in response to the consequent output state of the model. The Office Action fails to indicate where and/or how Ginter et al. discloses a programmed computer for (1) creating such a model or a storage device for storing such a model or a program computer that receives data relevant to a term of the agreement and relates to a corresponding state variable of the model, (2) entering the data into the model, (3) establishing a consequent output state of the model, and (4) determining the right or obligation in response to the output state of the model.

The Office Action fails to indicate where and/or how Ginter discloses the claim 11 requirement to create a model that represents an agreement, wherein the model has an output state and includes at least one state variable for representing a term of the agreement. The Office Action also fails to disclose where and/or how Ginter et al. receives data relating to a state variable of a model representing an agreement, wherein the data represents performance of one of the parties of one or more events

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relevant to the agreement. Further, the Office Action fails to indicate where and/or how Ginter et al. discloses determining a right or obligation of an agreement in response to an output state of a model that is established as a consequence of data being entered into the model, wherein the data represent performance.

F. The Office Action Fails to Indicate How and/or Where Ginter et al. Anticipates the Requirements of Claim 12, Directed to a Method of Determining a Right or Obligation of a Contract or Agreement at Any Point in Time

The Office Action fails to indicate where and/or how Ginter et al. represents at least some terms of a contract or agreement as a state variable of a computer arrangement having a status determined by the state variable, as claim 12 requires. The Office Action also fails to indicate where and/or how Ginter includes the step of claim 12, requiring the status of a computer arrangement to be changed if a determination indicates that an event changes the status of the computer arrangement. Further, the Office Action fails to indicate where and/or how Ginter determines the right or obligation of the contract in response to the received data representative of performance of at least one or more of the parties and the status of the computer arrangement.

G. The Office Action Fails to Indicate How and/or Where Ginter et al. Discloses the Requirements of Claim 13, Directed to a Computer Readable Medium or Storage Device

The Office Action does not indicate where and/or how Ginter et al. discloses a computer readable medium or storage device that stores a program for causing a computer arrangement to determine a right or obligation of a contract or agreement at any point in time, wherein the computer arrangement stores at least some terms of the

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contract or agreement as a state variable, as claim 13 requires. Claim 13 specifically requires the program to cause the computer arrangement to determine the right or obligation in response to received data that represents the performance of one of the parties of one or more elements relevant to the contract. In addition, claim 13 requires the right or obligation to be determined in response to the status of the computer arrangement. The Office Action fails to indicate where and/or how Ginter et al. determines such a right or obligation.

H. **The Office Action Fails to Indicate How and/or Where Ginter et al. Discloses the Requirements of Claim 14, Directed to a Computer Arrangement for Determining a Right or Obligation of a Contract or Agreement at Any Point in Time**

The Office Action fails to indicate where and/or how Ginter et al. discloses a computer arrangement that represents at least some of the terms of a contract or agreement as a state variable, wherein the computer arrangement has a status determined by the state variable, as claim 14 defines. Further, the Office Action fails to indicate how and/or where Ginter et al. the claim 14 requirements for a right or obligation of a contract or agreement to be determined in response to received data representative of performance of one of the parties of one or more elements relevant to the contract or agreement and the status of the computer arrangement that is determined by the state variable.

I. **The Office Action Fails to Indicate How and/or Where Ginter et al. Discloses the Requirements of Claims 15 and 17**

Claims 15 and 17, respectively dependent on apparatus claim 1 and method claim 9, require the status of the state machine to be determined by a state variable of

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the state machine, wherein at least some terms of the contract or agreement are represented by the state variable. The Office Action fails to indicate where and/or how Ginter et al. discloses such features.

J. The Office Action Fails to Indicate How and/or Where Ginter et al. Discloses the Requirements of Claims 16 and 18

Claims 16 and 18, respectively dependent on apparatus claim 1 and method claim 9, require the contract or agreement to be in force. In other words, the contract or agreement cannot be in a negotiated state. The Office Action fails to indicate where and/or how Ginter et al. discloses that contracts as set forth in claims 1 and 9 are in force while the various functions and operations described in claims 1 and 9 are being performed.
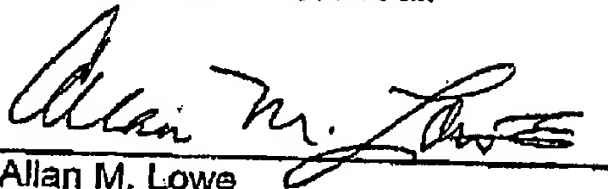
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K. Conclusion

Reversal of the rejection is in order.

Respectfully submitted,

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VIII. Claims Appendix

1.   Apparatus for determining a right or obligation of a contract or agreement at any point in time, comprising means for creating a state machine representative of said contract or agreement, at least some terms of said contract or agreement being represented as a state variable of said state machine, means for storing said state machine, the state machine having a status, means for: (a) causing the state machine to receive data representative of performance of at least one of the parties of one or more events relevant to the contract or agreement, (b) determining whether said event changes the status of said state machine, (c) changing the status of said state machine if required by the determination, and (d) determining the right or obligation in response to the received data and the status of the state machine.

2.   Apparatus according to claim 1, comprising means for storing a plurality of state machines, each representative of a respective contract or agreement, the right or obligation of each said contract or agreement being determinable concurrently as required.

3.   Apparatus according to claim 1, wherein a computer language for realizing the apparatus is an object-orientated computer language, such that the right or obligation of a contract state machine object includes assertions that the object makes to other objects or systems.

4.   Apparatus according to claim 1, including software components or systems for: (a) receiving the right or obligation assertions of a virtual contract, and (b) determining and implementing the "wishes" or "intentions" of the contracts, as required.

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5.   Apparatus according to claim 1, comprising a kernel including means for storing a plurality of contract or agreements as state machines, means for receiving information regarding events relevant to one or more of the contracts or agreements, and means for changing the state of one or more of the state machines as required according to said event.

6.   Apparatus according to claim 5, comprising an event queue for accommodating "external" and "internal" events.

7.   Apparatus according to claim 1, wherein if the state of a contract or agreement is not changed for a predetermined period of time, the means for storing is arranged so the contract is persisted in the storage means, to await an the occurrence of one or more events which affect its behaviour or output.

8.   Apparatus according to claim 1, further including a virtual contract manager arranged so that upon initialization, virtual contracts are registered with the virtual contract manager such that the virtual contracts can subscribe to events that affect their behaviour to the right or obligation at any given time.

9.   A method of determining a right or obligation of a contract or agreement at any point in time, the method comprising the steps of:

creating a state machine representative of said contract or agreement, at least some terms of said contract or agreement being represented by a state variable of said state machine, the state machine having a status;

storing said state machine;

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receiving at said state machine data representative of performance of at least one of the parties of one or more events relevant to said contract or agreement;

determining whether said event results in a change of state of said state machine;

changing the status of said state machine accordingly; and

determining (a) the state of said state machine at a point in time as required, and (b) the right or obligation of said contract or agreement from the determined state of the state machine.

11. Apparatus for determining a right or obligation of an agreement, comprising:

means for creating a model representing the agreement and having an output state, the model including at least one state variable for representing a term of the agreement;

means for storing the model; and

means for (a) receiving data relevant to a term of the agreement and relating to a corresponding state variable of the model, the data being representative of performance of at least one of the parties of one or more events relevant to the contract or agreement, (b) entering the data into the model, (c) establishing a consequent output state of the model, and (d) determining the right or obligation in response to the consequent output state of the model.

12. A method of determining a right or obligation of a contract or agreement at any point in time, comprising:

representing at least some terms of said contract or agreement as a state variable of a computer arrangement, the computer arrangement having a status determined by the state variable;

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causing the computer arrangement to receive data representative of performance of at least one of the parties of one or more elements relevant to the contract or agreement;

determining whether said event changes the status of said computer arrangement;

changing the status of said computer arrangement if required by the determination, and determining the right or obligation in response to the received data and the status of the computer arrangement.

13. A computer readable medium or storage device storing a program for causing a computer arrangement to determine a right or obligation of a contract or agreement at any point in time, the computer arrangement storing at least some terms of said contract or agreement as a state variable, the computer arrangement having a status determined by the state variable, the program causing the computer arrangement to:

receive data representative of performance of at least one of the parties of one or more elements relevant to the contract or agreement;

determine whether said event changes the status of said computer arrangement;

change the status of said computer arrangement if required by the determination; and

determine the right or obligation in response to the received data and the status of the computer arrangement.

14. A computer arrangement for determining a right or obligation of a contract or agreement at any point in time, the computer arrangement being arranged for executing the steps of:

representing at least some terms of said contract or agreement as a state variable, the computer arrangement having a status determined by the state variable;

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causing the computer arrangement to receive data representative of performance of at least one of the parties of one or more elements relevant to the contract or agreement;

determining whether said event changes the status of said computer arrangement;

changing the status of said computer arrangement if required by the determination; and

determining the right or obligation in response to the received data and the status of the computer arrangement.

15. The apparatus of claim **1**, wherein the status is determined by the state variable.

16. The apparatus of claim **1**, wherein the contract or agreement is in force.

17. The method of claim **9**, wherein the status is determined by the state variable.

18. The method of claim **9**, wherein the contract or agreement is in force.

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IX.   Evidence Appendix

None.

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X.   Related Proceedings Appendix

None.